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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	Chapter 11
In re)	Case No. 05-44481 (RDD)
)	
DELPHI CORPORATION, <i>et al.</i> ,)	(Jointly Administered)
)	
Debtors.)	
)	
_____)	

**RESPONSE BY DENSO INTERNATIONAL AMERICA, INC. AND DENSO SALES
CALIFORNIA, INC.
TO DEBTORS' MOTION ESTIMATING OR PROVISIONALLY ALLOWING CERTAIN
UNRECONCILED CLAIMS SOLELY FOR PURPOSES OF ADMINISTRATION OF
DISCOUNT RIGHTS OFFERING**

NOW COMES, Denso International America, Inc. ("DIAM") and DENSO Sales California Inc. ("DSCA", together with DIAM, "DENSO Claimants"), by their co-counsel, Blank Rome LLP and Plunkett Cooney PC, for their Response to the Debtors' Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 502(c) Estimating or Provisionally Allowing Certain Unreconciled Claims Solely for Purposes of Administration of Discount Rights Offering, dated December 28, 2007 ("Estimation Motion Relating to Administration of Discount Rights Offering" or "Motion"), and would respectfully represent:

1. DENSO Claimants are significant purchasers and suppliers of auto parts to the Debtors. DENSO Claimants and the Debtors have a long standing commercial relationship. The parties have continued to conduct business on a virtually seamless basis since the Petition Date.¹

2. The Debtors' Estimation Motion Relating to Administration of Discount Rights Offering adversely affects DENSO Claimants' rights, including the claims scheduled in the Motion, which claims, it is submitted, are understated. At the outset, the Debtors and DENSO Claimants have resolved the myriad of prepetition claims between them, including the claims that are the subject of the Motion. That settlement agreement is in the final stages of drafting and should be executed before the Effective Date of the Plan. Accordingly, DENSO Claimants submit this response solely and exclusively for the purpose of preserving their rights pending approval of the settlement agreement with the Debtors.

3. By way of background, DENSO Claimants and their affiliates filed several claims against the Debtors, which totaled \$3,488,724.22, and differed from the claims scheduled by Delphi. Further, the DENSO Claimants assert their claims are secured by a right of set off, which Debtors dispute. The parties have undertaken a thorough reconciliation of these differing amounts over the past months. These negotiations reached closure and the parties, as noted, through their counsel, are now memorializing a settlement agreement. The DENSO Claimants are fully committed to proceeding with the proposed settlement with the Debtors and will take all necessary action to do so. However, in light of the time constraint with respect to the submission of objections to the Estimation Motion Relating to Administration of Discount Rights Offering by January 11, 2008, DENSO Claimants believed it was prudent to file this response as DENSO Claimants did not believe they would be able to secure necessary approvals and execute the settlement agreement before the Motion was heard. As noted, DENSO Claimants

¹ Capitalized terms not otherwise defined in this Response have the meanings ascribed to them in the Motion.

merely seeks to preserve their rights with respect to the existing Motion, pending execution of the settlement agreement with the Debtors.

4. The proposed settlement between the parties contains strict provisions relating to confidentiality. Accordingly, DENSO Claimants are precluded from laying out other details, save for the fact that the parties have fully reconciled all prepetition claims after lengthy negotiations.

5. As noted, the Estimation Motion Relating to Administration of Discount Rights Offering understates DIAM and DSCA claims. The parties' global settlement would include the DIAM and the DSCA claims which are the subject of the Motion. This response is respectfully submitted pending approval by the Bankruptcy Court in order that the parties reserve their rights solely with respect to this issue.

WHEREFORE, DIAM and DSCA respectfully request that their claims be estimated for the limited purpose of the Discount Rights Offering, in an amount no less than \$3,488,724.22, and that the parties reserve their respective rights with respect to DIAM's and DSCA's claims together with such other and further relief as the Court deems just and proper.

January 10, 2008
New York, New York

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	Chapter 11
In re)	Case No. 05-44481 (RDD)
)	(Jointly Administered)
DELPHI CORPORATION, <i>et al.</i> ,)	<u>CERTIFICATE OF SERVICE</u>
)	
Debtors.)	
)	
_____)	

The undersigned certifies that a true and correct copy of the foregoing ***Response By Denso International America, Inc. and Denso Sales California, Inc. to Debtors' Motion Estimating Or Provisionally Allowing Certain Unreconciled Claims Solely For Purposes of Administration of Discount Rights Offering*** was electronically filed using the Court's CM/ECF filing system, and that a true and correct copy of the same was served via Federal Express to the parties identified below:

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